

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 7078
BILL NUMBER: SB 347

DATE PREPARED: Jan 2, 2002
BILL AMENDED:

SUBJECT: Varicella Immunizations.

FISCAL ANALYST: Kathy Norris
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FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

STATE IMPACT	FY 2002	FY 2003	FY 2004
State Revenues			
State Expenditures		1,236,746	381,693
Net Increase (Decrease)		(1,236,746)	(381,693)

Summary of Legislation: This bill adds varicella to the list of required immunizations for a child. The bill requires the State Department of Health to administer a varicella immunization program.

Effective Date: July 1, 2002.

Explanation of State Expenditures: *Chicken Pox Immunizations:* The fiscal impact of adding varicella (chicken pox) to the list of required immunizations for children living in Indiana is estimated to be \$1,236,746 in FY 2003 and \$381,693 in FY 2004. The additional cost is only for the purchase of the vaccine for children served by local health departments.

Background: Administration of varicella (chicken pox) vaccine is recommended at 12-18 months of age by the American Academy of Pediatrics and the Center for Disease Control's Advisory Committee on Immunization Practices. The vaccine costs \$39.14 per dose. The state fiscal impact is due to declining federal assistance for vaccine purchases for local health departments. Local health departments provide vaccinations for approximately 27% of the state's children. The Department of Health also purchases vaccines for the children covered by Package C of Hoosier Healthwise (CHIP).

The remaining population is eligible for the federally funded Vaccines for Children (VFC) program or is

privately insured. The VFC program provides federally purchased vaccines for children ages 0-18, who are enrolled in Medicaid, uninsured, or who are Native Americans. Children who have insurance that does not cover immunizations may receive VFC benefits at Federally Qualified Health Care Centers or Rural Health Clinics. Private providers may also enroll in the VFC Program and administer vaccines to eligible children. The State Department of Health has estimated the number of children who receive state-purchased vaccine in three age cohorts assumed to be susceptible to varicella. The "0-2" age group is assumed to consist of three birth cohorts, while the remaining groups consist of two birth cohorts of 86,000 children per year. The percentage of children that receive vaccinations from publicly funded sources is assumed to be 42%. This information, as well as susceptibility data from Ohio, has been applied to the percentage of children who receive their vaccinations at local health departments to estimate the first-year cost of the vaccine needed as shown below.

Children Vaccinated at Local Health Departments - Year One							
Age Cohort	# of Children	Percent Susceptible	Children Susceptible	42% Publicly Funded	27% State(317) Funded	Cost/Child	Cost per Cohort
0-2 Years	172,000	100%	172,000	72,240	19,505	\$39.14	\$763,426
3-4 Years	172,000	44%	75,680	31,786	8,582	39.14	335,899
5-6 Years	172,000	18%	30,960	13,003	3,511	39.14	137,421
Total			278,640	117,029	31,598		\$1,236,746

This analysis assumes that the amount of vaccine required for purchase in later years should decline to a constant level. This is because some of the children in the 0-2 age group are 1) not eligible to be vaccinated because they are not old enough (the vaccination is recommended to be given at 12 to 18 months of age), and/or, 2) already vaccinated. The number of children susceptible in the 3-4 year age cohort has been reduced to 0, since the assumption is that vaccine was given to (or purchased for) the 3-4 year old susceptible children the prior year. The 5-6 year cohort has been similarly adjusted. These assumptions yield second-year costs as shown in the table below.

Children Vaccinated at Local Health Departments - Year Two							
Age Cohort	# of Children	Percent Susceptible	Children Susceptible	42% Publicly Funded	27% State(317) Funded	Cost/Child	Cost Per Cohort
0-2 Years	172,000	50%	86,000	36,120	9,752	\$39.14	\$381,693
3-4 Years	172,000	0%	0	0	0	39.14	0
5-6 Years	172,000	0%	0	0	0	39.14	0
Total			86,000	36,120	9,752		\$381,693

Anecdotal evidence indicates there is a group of children entering school with no vaccination records who may be vaccinated twice for lack of documentation. There is no available documentation to indicate the magnitude of this problem.

This bill also requires residential students enrolled in a postsecondary institution to provide documentation of varicella immunization or a certificate of immunity. The number of students enrolling at residential college campuses under age 19 who have not been exposed to varicella or have been immunized is not known.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: State Department of Health.

Local Agencies Affected: Local health departments and school corporations.

Information Sources: Marilyn Cage, Legislative Liaison for the Department of Health, (317)-233-2170. National Immunization Program, Vaccines for Children (VFC), Website at: <http://www.cdc.gov/nip/vfc/about.htm>